

## **ATRS retirees WILL receive the regular COLA in July**

Some retirees who qualify for the COLA in the benefit payment made during July have wondered if the payment ( the 3% cost of living increase) will be made this July due to news that state employees will not get a COLA this year. YES the regular COLA will be paid to all retired members who qualify for this year's COLA.

### **Attention New ATRS Retirees:**

If you made a decision to retire and are having second thoughts, you have the opportunity to reverse the decision and not retire. You may cancel your application for retirement benefits anytime **prior** to thirty (30) days **after** the later of:

- ✓ the effective date of benefits, or
- ✓ the receipt of your first retirement check

This means that you have 30 days **after** your receipt of your first retirement check to cancel. You will be required to repay the benefit paid. So, if your circumstances have changed after you filed for retirement, depending on the timing, you may still have time to withdraw your application. Please contact an ATRS Retirement Counselor (501 682 1517 or toll free 1 800 666 2877) as soon as possible if you are considering such a cancellation. ATRS will need your cancellation in writing, which can be faxed or scanned to meet deadlines.

### **Reminders About Termination Requirements for Retirement:**

For members under age 65, **termination of employment** must occur prior to the effective date of benefits. Termination of employment includes a **mandatory separation period**. Please be aware that the effective date of your retirement is not your last date of employment, but rather the date your retirement benefits begin as determined by ATRS. The effective date is **always the first day of a month**, even though benefits are paid the last working day of that month as determined by ATRS.

ATRS is sending a letter to a member today who went back to work after 25 days of official separation. ATRS hates to send such letters due to the terrible impact on such members. Failure to terminate means the member did not effectively retire and has to repay all benefits paid and has to return all TDrop proceeds with 8% interest applied to the TDrop balance until returned. Then, the member has to submit a new application to actually retire. This member will lose many months of benefits and will owe substantial interest due to going back to work 5 days too early. **Please be careful!**



Members under age 65 cannot return to employment in a position covered by the system within 180 days of their effective date of retirement or their retirement will be cancelled. There is an exception for members who have at least 38 or more years of combined service, which includes participation years in T-DROP and reciprocal service. Members with 38 or more years of combined service must remain terminated for at least 30 days beyond their effective date of retirement. This includes part-time or full-time employment with any Arkansas public school, educationally related state agency, college, university and/or post-secondary institution.

Once a member is age 65 or older, the member may apply for benefits without termination of employment. This also means that such age 65 or older members also do not have a separation period. ALL OTHER MEMBERS HAVE A SEPARATION PERIOD.

### **Separation Means Separation**

The ATRS Board has a specific policy defining required separation. I have included it below. If you have any questions if you may violate the policy, Please call ATRS to prevent a problem. It is better to get clarification before you risk a major mistake. Here is the specific policy:

To **terminate covered employment** means that:

- A. A member shall cease all employment relationships with any ATRS participating employers by his/her retirement effective date.
- B. A member shall cease to render compensable services to or on behalf of any ATRS participating employers during the termination period.
- C. The member should no longer have the authority to act as a representative of the employer or exercise any authority over its employees by his/her retirement effective date.
- D. A member must follow normal procedures for resigning from his/her employer unless involuntary terminated.
- E. No participating employer has the right to future services rendered by the member.



- F. Participating employer(s) will have paid any accumulated benefits customarily paid at the time of termination.
- G. A member shall remain terminated with all participating employers for the minimum number of days required in A.C.A. § 24-7-502; and
- H. A member shall not form any employment agreements, express or implied, with a participating employer prior to or during the termination period.

As you can see, separation means more than just not being on the payroll.

### **T-DROP Interest Rate for 2010-2011:**

The ATRS Board of Trustees has approved a 6% interest rate for 2010-2011 for active T-DROP participants (payable July 1, 2011). The interest rate is determined prior to the end of each fiscal year by the ATRS Board of Trustees according to ATRS Rules and Regulations.

### **T-DROP Interest Rate for Post 10-Year Participants:**

The ATRS Board of Trustees has approved a 6% interest rate for the 2010-2011 fiscal year for T-DROP participants who have completed ten years of T-DROP participation (payable July 1, 2011). The interest rate is determined prior to the end of each fiscal year by the ATRS Board of Trustees according to the ATRS Rules and Regulations.

### **Filing Deadlines for ATRS Retirement and/or T-DROP:**

While eligible members may retire in any month during the year, retirement for most members normally begins on July 1<sup>st</sup> of each year. On July 1<sup>st</sup> of each year retirees who have been on the payroll for 12 months will receive a cost of living adjustment (COLA). All applications for Retirement Benefits must be filed with this office 1 full month prior to the effective date of benefits (i.e. July benefits require a May application).

Members entering T-Drop can only enter T-DROP on July 1<sup>st</sup> of each year. All applications for T-DROP participation must be filed with ATRS at least 1 full month prior to the effective date of participation. Based on a July 1st participation start date, all T-DROP applications must be filed with the System on or before May 31<sup>st</sup>. If you plan to enter T-Drop next July 1<sup>st</sup>, mark your calendar now to not miss the application deadline!